

US EXECUTIVE APPROVAL FORM

CUSTOMER NAME: Teradyne Corporation
PARTNER/VAD NAME:

SECTION I - Approval Requests:
HQAPP Requests:

- 1) This deal is a competitive Peoplesoft replacement along with Advanced Planning modules to extend the customers investment in the Oracle e-business suite. We are replacing Peoplesoft modules HR, Benefits and Payroll with Oracle HR equivalents. The customer is aware of our plans for a like-for-like replacement. Per the new policy to provide Psft like-for-like items at an effective 100% dsct, we are providing an overall discount on all the line items to arrive at the same bottom line amount as the deal currently on the table - which on the previous approval held these out pending disposition of the Psft matter.
- 2) 82% discount on the programs in deal summary box
- 3) Support cap at 0% for three years (two renewals), 5% for years four and five

TIER 2Requests:

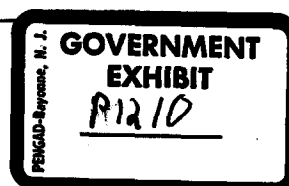
Price hold for 2 years at 45%, subject to a \$100K minimum net License buy, on the following modules: iRecruitment, Training Admin, iLearning, HR, Advanced Benefits, Payroll, SS HR, OTL, HR Intell, Adv. Supply Ch. Planning, Const Based Optimization, Invty Optimzn, Global Order Promising, Collaborative Planning.

Previously approved requests within same quarter for same deal (include date of approval):

- 1.
- 2.

SECTION II – Deal Summary:

Deal Summary (modify as deal changes to reflect your worse case)			
Product Mix:	Human Resources	6,800	person
	Advanced Benefits	6,800	person
	Payroll	5,000	person
	Self Service HR (Manager & Employee)	6,800	person
	Time & Labor	2,500	person
	HR Intelligence	6,800	person
	Oracle Advanced Supply Chain Planning	\$ 460	\$M COGS
	Constraint Based Optimization	\$ 460	\$M COGS
	Inventory Optimization	\$ 660	\$M COGS
	Global Order Promising	\$ 660	\$M COGS
	Collaborative Planning	\$ 660	\$M COGS
License Discount	82 % (ebiz + 57 %)		
Support Discount	82 % (ebiz + 57 %)		
Comp & Admin Discount	N/A		



Phased Implementation for Comp & Admin?	N/A
Support Options/Holds	3 yrs at 0% cap, years 4 and 5 at 5% cap
Price Holds	2 yrs at 45% on specific modules
List License	\$3,293,000
List Support	\$724,460
List Comp & Admin	N/A
Net License	\$592,740
Net Support	\$ 130,403
Net Comp & Admin	N/A
Net Price	\$ 723,143
Price List Used (specific date)	June 30, 2003

Migrations	
Does deal include migration (y/n)	No
Discount on migrated licenses	
Migration support - before	
Migration support - after	

Customer history	
Existing contractual discount (price hold)	None
Date of Price List for price hold	
When does price hold expire?	
Price hold program categories (database, server, erp, crm, hr/payroll, app suite)	
Name of Agreement, if applicable	

SECTION III - Justification:

Teradyne is an Oracle ERP and Peoplesoft HR user. Psft's de-support of Psft Payroll 7.5 in April 2004 is forcing Teradyne to upgrade to Psft 8, and customer is evaluating upgrading to Psft8 vs. migrating to Oracle HR/Pay. License cost from Psft is nil, and so I am requesting a relatively deep discount given the level of desperation at Psft, and the un-natural acts they are committing in the field. An Oracle win would knock Psft out of the account altogether.

Teradyne is current on its Oracle annual support fees of \$1.95 million. An Oracle win would also deprive Psft of approx. \$1M in consulting fees related to the upgrade.

Discounts and terms requested above are worst case.

The mgmt approval chain and HQAPP should be aware that customer is requesting a number of terms (see table below) to which we have responded with polite "no's". This tenor of the negotiation is that Oracle is not agreeing to the great majority what Teradyne requests and what Teradyne claims other vendors have provided. (In particular, Teradyne claims Psft permits true downs without support reinstatement penalties in units of 1200 employees for HR modules).

Teradyne request	Oracle Response
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Teradyne's contract with Oracle was written in 1996 and needs to be updated, so assume a contract negotiation will be part of the process. Teradyne would like it's support fees to match it's current use of Oracle vs. its licensed quantities.	We are politely declining to re-write the SLSA. Current deal is more favorable than actual counts at e-bus discounts.
The definition of an employee from a license perspective will be current W-2 employees (or the equivalent in foreign countries). Former employees, Consultants and third party temporary employees will not apply against Teradyne's Oracle headcount	We are politely declining to re-define any of the standard definitions
Teradyne requires the right to annually true down as headcount changes without losing the value of the license	Teradyne sales are down 65% from 2000 and CFO is struggling to match sg&a to revenue. Nonetheless, we will politely decline
Teradyne requires the right to annually de-support specific modules with some reasonable re-instatement fee as an option	We have politely declined to change our standard policy
In a previous purchase Teradyne purchased three business intelligence modules by mistake. Teradyne requires that Oracle provide some "trade-in" methodology to leverage those purchases into this purchase.	In the 2000 deal for \$6.8M TER bought \$263K of BIS – and didn't mean to. We have declined to adjust the support fee in their favor per previous requests and we are politely declining to consider this request.
Teradyne requires a product Warranty with "strict conformance" as a standard to assure that the product works as sold and a remedy that covers all of Teradyne's implementation costs not just the license purchase price.	We are politely declining this change and any others to the definitions in the existing SLSA.

Recommendation: *(leave blank for HQAPP to fill out)*

Submitted By: *(fill in rep name and AVP name here)*

Field RM name if submitted by OracleDirect:

R: *(leave blank for HQAPP to fill out)*

C:

L:

A:

BP:

PLEASE NOTE THAT HQAPP WILL NOT REVIEW ANYTHING BELOW AND NOTHING BELOW WAS CONSIDERED FOR THEIR APPROVAL. ONLY DETAILS IN THE REQUEST SECTION (SECTION I) ABOVE WERE CONSIDERED IN THE APPROVAL GRANTED.

SECTION IV – Computer and Admin Services:

(Delete this section if not applicable)

not applicable

SECTION V – Ordering Document Details

Instructions - Fill in all sections completely.

APPROVAL REQUIREMENTS - Refer to the Approval Matrix at <http://csource.oraclecorp.com>

PRICING REQUIREMENTS – Refer to Price List and Price List Supplement for minimums and prerequisites.

PRICING SPREADSHEET – Include a pricing spreadsheet showing all products, quantities, license types, pricing, and discounts. Indicate if discount for drafting contract differs from approved discount.

MIGRATIONS - If your deal contains a migration, you must submit a Migration Worksheet to the ELM (eBusiness License Migrations) team. Refer to <http://nafo.us.oracle.com> under the Contract Management tab and e-Business License Migrations header to download the spreadsheet and for additional information.

Note: All business approvals & quotes are valid through the quarter they were approved, unless a formal RFP or Tender requires a longer validity period.

General Information	
Contract requested by (August 5, 2003): After all approvals are obtained - Allow 24 hours for standard contracts and 48 hours for non-standard contracts.	
Opportunity I.D. (OSO Number):	719023
Is this a ship order?	Yes <input type="checkbox"/> X No <input type="checkbox"/>
Deal Structure (indicate Direct, Pass-Through, Sublicense, or Trial License):	Direct
Is this deal the result of a compliance issue that LMS has been involved in?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> X No <input type="checkbox"/>
Does deal contain new licenses with an <i>approved</i> non-supported license type (i.e. metric is not nor ever has been on Oracle's price list):	<input type="checkbox"/> Yes (specify non-supported license type and eBusiness license type used to determine conversion) <input checked="" type="checkbox"/> X No <input type="checkbox"/>
Quote Valid Through (insert date):	
Partner (insert name, if applicable)?	Margin or % of net license fees _____
VAD (insert name, if applicable)?	Margin or % of net license fees _____
PARTNER PAYMENT: If this is a direct deal, does it involve a Partner Referral Fee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> X No <input type="checkbox"/>
If yes, specify payment type:	<input type="checkbox"/> Applications Affiliate Fee <input type="checkbox"/> ROP Fee (<i>GB Use Only</i>)
MIGRATIONS OR UPDATES:	<input type="checkbox"/> Yes <input type="checkbox"/> No
PREMIUM SERVICES:	<input type="checkbox"/> Yes <input type="checkbox"/> No
INCIDENT PACKS:	<input type="checkbox"/> Yes <input type="checkbox"/> No
INTERNATIONAL: Requires an International Notification Form to be forwarded to your manager, contract specialist, and NASINFO or OGEHINFO.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> X No <input type="checkbox"/>
Payment Terms:	<input checked="" type="checkbox"/> X Net 30 <input type="checkbox"/> Other (Specify)
Referenced Agreement:	<input type="checkbox"/> New OLSA <input checked="" type="checkbox"/> X Other (Specify) SLSA-31-May- 1990

Customer and Administrative Information – all fields must be filled in	
Customer's EXACT Legal Name:	Teradyne Corporation
Business Address:	321 Harrison Street
City / State / Zip:	Boston, MA 02118
Customer Contract Admin:	Robert Von Dohlen
Phone #:	617.422.3310
Fax #:	
E-mail ID:	Robert.von.dohlen@teradyne.com
Billing Contact:	Same as above
(Partner/VAD if Indirect):	
Address:	
City / State / Zip:	
Phone #:	
Fax #:	
E-mail ID:	
Tax Status :	Exempt ____ (Need certificate for ship to state if not on Oracle's Tax Exemption Log)
	Non-Exempt <u>X</u>
Shipping Contact:	John Doherty
Address:	321 Harrison Street
City / State / Zip:	Boston, MA 02118
Phone #:	617-422-3149
Fax #:	
E-mail ID:	John.doherty@teradyne.com
Technical Support Contact:	Mark Petter
Address:	179 Lincoln Street
City / State / Zip:	Boston, MA 02118
Phone #:	617.422.2295
Fax #:	
Email ID:	Mark.petter@teradyne.com
Partner Name (Indirect):	N/A
Address:	
City / State / Zip:	
Contact Admin:	
Phone #:	
Fax #:	
E-mail ID:	

Education (EPPC)	
Education Prepaid Credit Amount:	\$ <u>0</u>
Education Discount:	<u>0</u> %
Education Revenue:	\$ _____
Education Sales Rep:	

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PROCESSOR/NAMED USER PROGRAMS/COMPUTER PROGRAMS (REQUIRED INFORMATION)

Make and Operating System required for each program:

Make: HP
OS: HP/UX
PROGRAMS

Programs being purchased this OD

Module	Count	Metric	List License Price Per Unit	List License Extd
Human Resources	6,800	person	\$ 50	\$ 340,000
Advanced Benefits	6,800	person	\$ 40	\$ 272,000
Payroll	5,000	person	\$ 60	\$ 300,000
Self Service HR (Manager & Employee)	6,800	person	\$ 35	\$ 238,000
Time & Labor	2,500	person	\$ 35	\$ 87,500
HR Intelligence	6,800	person	\$ 25	\$ 170,000
Oracle Advanced Supply Chain Planning	\$ 460	SM COGS	\$ 1,500	\$ 690,000
Constraint Based Optimization	\$ 460	SM COGS	\$ 375	\$ 172,500
Inventory Optimization	\$ 660	SM COGS	\$ 750	\$ 495,000
Global Order Promising	\$ 660	SM COGS	\$ 300	\$ 198,000
Collaborative Planning	\$ 660	SM COGS	\$ 500	\$ 330,000
Total				\$ 3,293,000

Applications			
Will applications be modified:	Yes	X	No
Will users be accessing modified Apps from the web:	Yes	X	No
Have all prerequisites been included:	<u>X</u> Yes		No
Will users use Fast Forward RPM:	Yes	X	No
Will applications be hosted:	Yes	X	No
Indicate database that Apps will run on:	On CSI below, named users		
Indicate CSI for existing prerequisite database and tools:	3194019		

Options not requiring HQAPP, Tier 1, or Tier 2 Approval	
(1)	
(2)	
(3)	
(4)	

Internal Administrative Information

Applications Sales Manager	Jay Buchta
Technology Sales Manager	Brett Van Gelder
Account Manager	N/A
OracleDirect Rep	Tom Bagley
Education Sales Rep	
Support Renewals Rep	
Premium Support Rep	John Higgins
Migrations Manager	
Is there a teaming agreement?	<input type="checkbox"/> Yes (if yes, list all appropriate reps) <input checked="" type="checkbox"/> No
Requester:	Name: <u>Jay Buchta</u> Business Telephone: <u>781-744-0382</u> Cell Phone: <u>781-710-6109</u>